GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:489
ANSWERED ON:28.04.2000
DOMESTIC AND FOREIGN LOAN
ANIL BASU;PRAVEEN RASHTRAPAL

Will the Minister of FINANCE be pleased to state:

(a) whether the burden of external as well as domestic debt has increased abnormally;

(b) if so, the percentage of increase in external/domestic debt during last three years;

(c) the amount of external/domestic loan obtained during 1997-98, 1998-99 and 1999-2000, till date, country-wise and institution-wise, separately ;

(d) the amount of interest and service charges being paid on these loans annually;

(e) the details of projects being funded with these loans;

(f) the steps being taken by the Government to reduce the external borrowings;

(g) whether the Government propose to change the procedure for obtaining foreign loans;
(h) if so, the details thereof ?

Answer

FINANCE MINISTER (SHRI YASHWANT SINHA)

(a) to (h) A statement is placed on the Table of the House.

Statement referred to in reply to Lok Sabha Starred QuestionNo.489 for 28.04.2000 by S/Shri Anil Basu and Pravin Rastrapal regarding Domestic and Foreign Loan.

(a), (b) and (c) Net external debt/domestic loan on Government account during each of the three years from 1996-97 was as follows:-

(Rs. Crore)

	1996-97	1997-98	%age increase	1998-99 (RE)	%age increase	99-2000	%age increase
External debt on Govt. account at historical rate of exchange.	2987	1091	(-) 63	1920	76	906	(-) 53
Market Loans on Govt. Account	20012	32499	62	68988	112	77065	12

The borrowing requirements of the Government areincreasing since the growth in Government expenditure (Interest, Defence, Subsidies, Internal Security,Salaries,Pensions,assistance to States and development expenditure, etc.) has outpaced the growth in Governments` revenues and other non-debt receipts.

The Government accounts are maintained on the basis of instruments ofborrowings, not lender-wise, as far as domestic loans are concerned. The lender-wise break-up of external debt is given in the Annexure.

(d) The details of debt servicing are as under:-

Debt servicing	1997-98	1998-99	1999-2000(RE)
Repayment of External Debt	6768	8095	8710
Interest on above	4110	4364	4393
Repayment of domestic loan	10891	14765	16353
Interest on above	22170	28362	36081
Total: Debt Servicing	43939	55586	65537

(e) The details of projects funded with external loans are incorporated in the External Assistance Brochure published every year. The latest publication `External Assistance Brochure, 1998-99` has since been circulated amongst Hon`ble Members of Parliament.

(f) The external financing of Government Budget is already very low. For example, out of the total fiscal deficit of Rs. 108898 crore in RE 1999-2000, only Rs. 906 crore was financed through net external assistance.

(g) No, Sir

(h) Does not arise.

ANNEXURE

Lok Sabha Starred Question No.489 for 28.04.2000

SOURCE-WISE UTILISATION OF EXTERNAL LOANS

(Rs. in crores)

Sl. No.	Name of the country/ Institution	1997-98	1998-99	1999-2000 (Provisional)
	MULTILATERAL			
1.	A.D.B.	741.10	1326.12	1263.04
2.	I.B.R.D.	1279.91	1319.89	1882.30
3.	I.D.A.	3063.67	3646.54	3630.34
4.	I.F.A.D.	59.80	51.84	42.60
5.	O.P.E.C.	11.12	20.41	34.29
	TOTAL	5155.60	6364.80	6852.57
	BILATERAL			
6.	Australia	3.94	0.84	0.00
7	Austria	0.00	0.00	0.00
8.	Belgium	0.00	0.00	0.00
9.	Canada	0.00	0.00	0.00

10. Reps. of Czech & Slovak	0.00	0.00	0.00
11. Denmark	14.23	0.00	0.00
12. France	209.22	48.81	65.41
13. Germany	176.03	163.49	116.99
14. Italy	0.00	0.00	0.00
15. Japan	2004.22	2364.59	2859.04
16. Kuwait Fund	8.97	2.73	0.67
17. Netherlands	0.00	77.55	49.52
18. Saudi Fund	4.88	6.65	6.21
19. Spain	0.00	0.00	0.00
20. Sweden	0.00	0.00	0.00
21. Switzerland	0.00	0.00	0.00
22. U.S.A	0.00	0.00	0.00
23. Russian Federation	0.00	0.00	27.45
24. United Kingdom	0.00	0.00	0.00
Total	2421.49	2664. 66	3125.29
Grand Total	7577.09	9029.46	9977.86